

- g. Agree to provide inpatient services to residents within the area who are not eligible for Medicaid or Medicare, and who do not have private health insurance, regardless of ability to pay, on the basis of available space, except that nothing shall prevent the hospital from establishing bill collection programs based on ability to pay.
  - h. Agree to work with the Florida Healthy Kids Corporation, and business health coalitions, as appropriate, to develop a feasibility study and plan to provide a low-cost comprehensive health insurance plan to persons who reside within the area and who do not have access to such a plan.
  - i. Agree to work with public health officials and other experts to provide community health education and prevention activities designed to promote healthy lifestyles and appropriate use of health services.
  - j. Agree to work with the local health council to develop a plan for promoting access to affordable health care services for all persons who reside within the area, including, but not limited to, public health services, primary care services, inpatient services, and affordable health insurance generally.
- 2. Any hospital that fails to comply with any of the provisions of this subsection, or any other contractual condition, may not receive payments under this section until compliance is achieved.

3. Hospitals that wish to participate in the primary care disproportionate share program must certify to the agency that they meet the requirements of 1. a.-j. above prior to any qualifying hospital receiving payment under this program.
4. For state fiscal year 2002-2003 and 2003-2004 forward, payments to hospitals that qualify under this Section shall be in the same proportion as payments made in state fiscal year 2001-2002. Total payments for Primary Care DSH shall be limited to total amount appropriated in Appendix B.
- 5 Effective for State fiscal year 2003-2004 forward, the following formula shall be used to calculate the total amount earned for each hospital:

$$TAE = HDSP / THDSP$$

Where:

TAE = total amount earned by a hospital participating in the primary care disproportionate share program.

HDSP = the prior state fiscal year primary care disproportionate share payment to the individual hospital.

THDSP = the prior state fiscal year total primary care disproportionate share payments to all hospitals.

STATE <u>Florida</u>	A
DATE REC'D <u>6/3/04</u>	
DATE APPV'D <u>6/21/04</u>	
DATE EFF <u>5/1/04</u>	
HCFA 179 _____	

6. The total additional payment for hospitals that participate in the primary care disproportionate share program shall be calculated by the agency as follows:

$$TAP = TAE * TA$$

Where:

TAP =total additional payment for a primary care hospital.

TAE =total amount earned by a primary care hospital.

TA =total appropriation for the primary care disproportionate share program (As found in Appendix B).

H. Disproportionate Share Program for Children's Hospitals

1. For state fiscal year 2002-2003 and 2003-2004 forward, no disproportionate share payments shall be made to the children's disproportionate share hospital program.

The Agency for Health Care Administration shall use the following formula to calculate the total amount earned for hospitals that participate in the children's hospital disproportionate share program:

$$TAE = DSR \times BMPD \times MD$$

Where:

TAE =total amount earned by a children's hospital

DSR =disproportionate share rate

BMPD =base Medicaid per diem

MD =Medicaid Days

STATE <u>Florida</u>	A
DATE REC'D <u>6/3/04</u>	
DATE APPV'D <u>6/21/04</u>	
DATE EFF <u>5/1/04</u>	
HCFA 179 _____	

2. The agency shall calculate the total additional payment for hospitals that participate in the children's hospital disproportionate share program as follows:

$$\text{TAP} = \frac{(\text{TAE} \times \text{TA})}{\text{STAE}}$$

Where:

TAP =total additional payment for a children's hospital.

TAE =total amount earned by a children's hospital

TA =total appropriation for the children's hospital disproportionate share program. (as found in Appendix B)

STAE =sum of total amount earned by each hospital that participates in the children's hospital disproportionate share program.

3. A hospital may not receive any payments under this section until it achieves full compliance with the applicable rules of the agency. A hospital that is not in compliance for two or more consecutive quarters may not receive its share of the funds. Any forfeited funds must be distributed to the remaining participating children's hospitals that are in compliance.

## **VII. Special Medicaid Payment (SMP) Reimbursement Methods**

### **A.Special Medicaid Payments**

1. Effective July 1, 2003, Special Medicaid Payments will be made on a quarterly basis to statutory teaching hospitals, family practice teaching hospitals as defined in s. 395.805, Florida Statutes, hospitals providing primary care to low-income

individuals, hospitals that operate designated or provisional trauma centers and rural hospitals. Statutory teaching hospitals that qualify for the Graduate Medical Education disproportionate share hospital program (DSH) shall be paid interim payments of \$12,203,921 distributed in the same proportion as the Graduate Medical Education DSH payments. Family practice teaching hospitals shall be paid interim payments of \$2,097,794 to be distributed equally between the hospitals. Hospitals providing primary care to low-income individuals and participating in the Primary Care DSH program shall be paid interim payments of \$12,203,921 distributed in the same proportion as the Primary Care DSH payments. Hospitals that are designated or provisional trauma centers shall be paid interim payments of \$11,610,000. Of this amount \$4,590,000 shall be distributed equally between the hospitals that are a Level I trauma center; \$4,500,000 shall be distributed equally between the hospitals that are either a Level II or Pediatric trauma center; \$2,520,000 shall be distributed equally between the hospitals that are both a Level II and Pediatric trauma center. Rural hospitals participating in the Rural Hospital DSH program shall be paid interim payments of \$8,383,500 distributed in the same proportion as the rural DSH payments.

2. Effective July 1, 2003, as prescribed by the General Appropriations Act for the current state fiscal year, Special Medicaid Payments will be made on a quarterly basis to hospitals that serve as a safety net in providing emergency and inpatient care to low-income and indigent individuals. Interim payments will be made in the following manner: \$43,920,631 shall be paid to University Medical Center - Shands; \$13,414,213 shall be paid to Tampa General Hospital; \$7,174,654 shall

be paid to Mt. Sinai Medical Center; \$6,154,745 shall be paid to All Children's Hospital; \$5,400,230 shall be paid to Miami Children's Hospital; \$3,291,219 shall be paid to Orlando Regional Medical Center; \$684,224 shall be paid to Shands Teaching Hospital; \$3,322,365 shall be paid to Jackson Memorial Hospital; \$950,000 shall be paid to Lee Memorial Hospital/CMS; \$450,000 shall be paid to Baptist Hospital of Pensacola; \$55,072 shall be paid to Florida Hospital; \$54,402 shall be paid to Tallahassee Memorial Hospital; \$52,835 shall be paid to St. Joseph's Hospital and \$51,222 shall be paid to St. Mary's Hospital; \$330,366 shall be paid to Broward General Medical Center.

3. Effective July 1, 2003, Special Medicaid Payments will be made on a quarterly basis to statutory teaching hospitals to enhance medical education programs. Total payment of \$11,702,078 will be made to qualifying hospitals. AHCA shall work in collaboration with the Florida Department of Health to determine which hospitals will receive these payments.
4. Effective July 1, 2003, Special Medicaid Payments up to \$4,868,549 will be made on a quarterly basis to hospitals to enhance primary care services to underserved areas of the state. AHCA shall work in collaboration with the Florida Department of Health to determine which hospitals will receive these payments.
5. Special Medicaid Payments in the interim amount of \$354,468,508 will be made on a quarterly basis to hospitals providing enhanced services to low-income individuals through agreements with local county or other governmental entities. The amount of the Special Medicaid Payment to each hospital is proportional to the amount of the intergovernmental transfer received from the local county or governmental entity.

6. Payments under sections 1 through 5 above are for services provided on or after July 1, 2003.
7. Effective June 21, 2003 and ending June 30, 2003, the Agency for Health Care Administration may make additional payment of up to \$967,402 to hospitals as special Medicaid payments in order to use the full amount of the upper payment limit available in the public and private hospital category. These funds shall be distributed up to the amounts as follows:
  - (a) Primary care hospitals - \$500,560.
  - (b) Hospitals providing enhanced services to low-income individuals - \$466,842.

The payments shall be distributed proportionately to each hospital in the specific payment category based on the hospital's actual payments for the 2002-2003 state fiscal year. These payment amounts shall be adjusted downward in a proportionate manner as to not exceed the available upper payment limit.

8. Effective July 1, 2003, the final total of all Special Medicaid Payments will be the lower of (1) 75 percent of the total Upper Payment Limit for private hospitals and 90 percent of the total Upper Payment Limit for non-state public hospitals, as defined in section B below, or (2) 100 percent of the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles. Interim payments will be adjusted to match this total. The total of all Medicaid payments will not exceed the Upper Payment Limit as defined in section B below.

9. Effective May 1, 2004 and ending June 30, 2004, the final total of all Special Medicaid Payments will be the lower of (1) 199.453 percent of the total Upper Payment Limit for private hospitals and 10.5 percent of the total Upper Payment Limit for non-state public hospitals, as defined in section B below, or (2) 100 percent of the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles. Interim payments will be adjusted to match this total. The total of all Medicaid payments will not exceed the Upper Payment Limit as defined in section B below.
10. Effective July 1, 2004, the final total of all Special Medicaid Payments will be the lower of (1) 40 percent of the total Upper Payment Limit for private hospitals and 85 percent of the total Upper Payment Limit for non-state public hospitals, as defined in section B below, or (2) 100 percent of the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles. Interim payments will be adjusted to match this total. The total of all Medicaid payments will not exceed the Upper Payment Limit as defined in section B below.

**B. Medicaid Upper Payment Limit (UPL)**

The Special Medicaid Payments listed in section A above are being made in accordance with the applicable regulations regarding the Medicaid upper payment limit. For each class of hospitals (non-State government-owned or operated facilities and privately owned and operated facilities), the amount that would have been paid under Medicare payment principles for the previous year will be calculated and compared to what payments were actually made by Medicaid



during that same time period. The calculation may then be used to make payments for the current year to hospitals eligible for such payments in accordance with applicable regulations regarding the Medicaid upper payment limit. No payments under the Medicaid upper payment limit are being made to State government-owned or operated facilities. Up to the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles may be paid to privately owned and operated facilities, in accordance with applicable state and federal laws and regulations, including any provision specified in appropriations by the Florida Legislature. Up to the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles may be paid to non-State government-owned or operated facilities in accordance with applicable state and federal laws and regulations, including any provisions specified in appropriations by the Florida Legislature.

#### **VIII. Medicaid Global Fee Reimbursement Methods**

##### **A. Methods Used in Establishing Payment Rates**

Reimbursement for adult (age 21 and over) heart and liver transplant evaluations and transplant surgery services will be paid the actual billed charges up to a global maximum rate established by the Agency. These payments will be made to physicians and facilities that have met specified guidelines and are established as designated transplant centers as appointed by the Secretary of the Agency. The global maximum reimbursement for transplant surgery services is an all-inclusive payment and encompasses 365 days of transplant related care.

Only one provider may bill for the evaluation phase, and only one provider may bill for the transplant phase.

Global maximum rates for liver transplants are as follows:

Evaluation phase:	Physicians	\$6,000
	Facility	\$ 9,000
	Total	\$15,000
Transplant Surgery phase:	Physicians	\$27,000
	Facility	95,600
	Total	122,600

**IX. Payment Assurance**

The State shall pay each hospital for services provided in accordance with the requirements of the Florida Title XIX State Plan and applicable State and Federal rules and regulations. The payment amount shall be determined for each hospital according to the standards and methods set forth in the Florida Title XIX Inpatient Hospital Reimbursement Plan.

**X. Provider Participation**

This plan is designed to assure adequate participation of hospitals in the Medicaid Program, the availability of hospital services of high quality to recipients, and services that are comparable to those available to the general public.

**XI. Revisions**

The plan shall be revised as operating experience data are developed and the need for changes is necessary in accordance with modifications in the Code of Federal Regulations.

**XII. Payment in Full**

Participation in the Medicaid Program shall be limited to hospitals that accept, as payment in full for covered services, the amount paid in accordance with the Florida Title XIX Inpatient Hospital Reimbursement Plan.